



The APPRAISER

A PUBLICATION OF THE ARKANSAS APPRAISER LICENSING & CERTIFICATION BOARD

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Opinion of Value

Dwight L. Brown, Chairman

At the time of this writing, Congress has yet to pass the \$700 billion dollar financial rescue plan.

Hopefully, an agreement will be forthcoming any day now. I've read that if this important legislature does not pass, we are looking at a similar situation that created the "Great Depression" some years ago. Either way, appraisers should be busy.

Congress has stated their thoughts about the current cause for the needed bailout of Fannie Mae and Freddie Mac as partly being poor appraisals. These are typical comments and finger pointing similar to those during the "S&L" bailout of the late 1980's which resulted in the enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) of 1989. This act established through the Appraisal Foundation Board's qualifications criteria for the states' licensing of appraisers and standards for the development and reporting of appraisals performed for federally related transactions. These Standards (USPAP) and the Arkansas appraiser regulations govern how we as appraisers produce our work products.

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Appraisers – We Need Your Help

The Arkansas Appraiser Licensing and Certification Board is considering the adoption of the American National Standard for Single-Family Residential Buildings – **Square Footage Method for Calculating: Ansi Z765-2003**.

In advance of officially proposing such an addition to the agency Rules and Regulations, the Board would like to hear from you, the licensees, who would be directly impacted by the change. In order to review and assess the impact, as well as, the expectations of this standard, interested appraisers can obtain a copy by calling or emailing the board office at (501)296-1843 or Jackie.Gullahorn@arkansas.gov.

The American National Standards Institute (ANSI) adopted this standard for measuring single-family residential buildings in April 1996. This standard was developed through a process of consensus among such participants as the American Institute of Architects, the Appraisal Foundation, the Building Owners and Managers Association, the Manufactured Housing Institute, the National Association of Realtors, Fannie Mae, Freddie Mac, HUD and others.

The ANSI standards base's floor area calculations on the exterior dimensions of the building at each floor level, and include all interior walls and voids. For attached units, the outside dimension is the center line of the common walls. Internal

room dimensions are not used in this system of measuring.

The ANSI standards define a finished area as "an enclosed area in a house suitable for year-round use, embodying walls, floors, and ceilings that are similar to the rest of the house." Measurements must be taken to the nearest inch or tenth of a foot, and floor area must be reported to the nearest square foot. Garages are specifically excluded.

In the Standard, Gross Living Area (GLA) is defined as the total area of finished, above-grade residential space excluding unheated areas such as porches and decks/patios. This is considered the standard measure for determining the amount of space in residential properties.

It is noted that the measurement of a residential property to determine GLA is not an exact science. Calculations are based on exterior measurements to the nearest tenth of a foot. Staircases (if applicable) are not deducted from the total GLA as this is not customary practice for residential properties. Most markets recognize lower level walk-outs, if finished to the same quality as the main floor.

The Appraiser Licensing Board greatly needs and welcomes the input of the residential property type appraiser on this significant issue. This is your way to have direct impact on an important issue.

Please respond.

2008 Disciplinary Actions

In 2008, nine complaints have been resolved at the non-judicial level (informal conferences) by consent agreements.

The basis of the complaints and the disciplinary grounds on which the cases were settled are as follows:

07-0482 A certified general appraiser failed to properly identify the subject property, failed to disclose possible environmental issues regarding the property, failed to properly report his analysis of the listing and sales contract of the property. A consent agreement was ratified by the Board whereby the appraiser agreed to successfully pass a tested report writing class and was fined \$1,000, which was to be waived upon satisfactory completion of the agreed to education before August 1, 2008.

07-0491 A certified residential appraiser failed to comply with Supplemental Standards that applied

to five residential appraisal reports completed for HUD/FHA. A consent agreement was ratified by the Board whereby the appraiser agreed to successfully pass a tested 15-hour market analysis course and complete a HUD/FHA class, after which the appraiser will be on probation for three months during which a monthly log of work products will be submitted and from which report(s) will be chosen for review to monitor improvement.

07-0488 A certified general appraiser failed to correctly report the three-year sales history, did not summarize the analysis of data and did not adequately identify the hypothetical conditions and extraordinary assumptions involved in the value conclusion. A consent agreement was ratified by the Board whereby the appraiser agrees to satisfactorily complete a tested 15-hour report writing course followed by six months probation during which he/she will submit logs of appraisal assignments from which report(s) will be chosen for review.

08-0508 A certified residential appraiser submitted numerous reports to the Board for checking the quality of work he/she was producing due to an unresolved complaint in the state from which the appraiser had transferred a credential. The reports were found to contain numerous careless errors, information reported as one thing in one area and another thing in another area of the report and failed to summarize any hypothetical conditions, extraordinary assumptions, site value support and summaries of the analysis made to arrive at adjustments. A consent agreement was ratified by the Board whereby the appraiser agreed to satisfactorily complete a 15-hour tested report writing course followed by a URAR Form class and six months probation. During the probation, the appraiser will submit logs of work products from which report(s) will be chosen for review of possible improvement. The appraiser was fined \$500 which will be waived if the required coursework is completed before December 1, 2008.

See **Disciplinary**, Page 3

Opinion, from Page 1

The Arkansas Appraiser Licensing and Certification Board is audited every two years by the Appraisal Subcommittee and recent audits have indicated the Board was operating within the prescribed guidelines. However, an article that ran in the *Arkansas Democrat-Gazette* on Monday August 18, 2008 was not so kind to the appraisers with its headline stating, "weak oversight rules seen allowing appraiser abuse." These comments obviously would have the reader believe that the nation's regulatory system is at fault for the current mortgage meltdown. These comments led the state licensing board to submit letters to all of Arkansas' congressional delegation informing them as to how the agency operates and of the good reports, the Board had received from multiple audits by the Appraisal Subcommittee. In this communication, we also offered the appraisal community's assistance should the current housing crisis precipitate congressional proposals for sweeping changes that impact real property appraisers.

The real estate community is obviously in for some trying times with the many foreclosures and bank failures, there will surely be numerous complaints filed against good appraisers. Let me reassure you that the State Appraisal Board members will take a very serious look at all complaints to make sure there is substance to the complaint and where none is found, the complaint will be dismissed.

Most appraisers do not understand the process the Appraiser Licensing Board must follow when a complaint is filed. Regardless of the nature of the complaint or how the complaint is received, federal guidelines mandates that state boards review the entire appraisal process for the assignment which includes the final work product, field notes, sticky notes with comments or any hand scratched calculations. The reviewers want to understand the total process through which the appraiser went through to create this report.

For appraisers being pressured to achieve certain results, **beware** – your situation will sooner or later jump up and bite you. Big time! During these dif-

ficult times those requested appraisal reports that represent something less than an accurate property value, might justify a second look. The previous report you were least concerned with will probably be the one that you get contacted about and invited to make a trip to Little Rock. I have a feeling our investigator and the board members will be very busy in the immediate future.

In mentioning the investigator, I would like to announce, at this time, that Mary Lou Brainerd will be retiring in April of 2009. Mary Lou has done a wonderful job in this thankless position. She has decided to spend more time with the grandkids. We wish her the best!!

The investigator's position will officially be declared open in the coming weeks, the Board will begin advertising, and receiving resumes at that time. Individual appraisers having an interest in applying for the position can contact the Board for additional information.

Till next time, keep it simple and do your best.

Kindest regards,

Dwight L. Brown, Chairman

Disciplinary, from Page 2

08-0519 A certified residential appraiser submitted numerous reports to USDA for their use in decision making on defaulting loans. The basis of the complaint was that there were very large line item adjustments without proper explanation as well as the use of questionable comparable sales. A consent agreement was ratified by the Board whereby the appraiser agreed to complete a URAR Form course as well as six months probation during which a monthly log of work products will be submitted from which report(s) will be chosen for review to confirm progress.

08-0514 A certified residential appraiser submitted two appraisal reports that contained careless errors, information reported as one thing in an area of the report and as another thing in a different area of the report, plus the use of unusual techniques that are not generally accepted appraisal practice. A consent agreement was ratified by the Board whereby the appraiser agreed to satisfactorily complete a 15-hour tested course involving appraisal procedures and/or techniques as well as six months probation during which he/she will submit logs of his/her work product from which report(s) will be chosen for further review.

08-0512 and 08-0523 A state licensed appraiser prepared and submitted numerous reports that were outside the parameters of his/her licensure. The reports also contained careless errors, inconsistencies and omissions of required statements regarding hypothetical conditions and extraordinary assumptions, ownership history of the subject and the reasoning used to support adjustments. A consent agreement was ratified by the Board whereby the appraiser agrees to satisfactorily complete a minimum of 30 hours of tested appraisal courses as well as six months probation during which the appraiser will submit logs of appraisal assignments from which report(s) will be chosen for review to monitor improvement. Three months into the probationary period, the appraiser will again appear before the Panel

members for an interview to assess his/her progress.

08-0511 A certified general appraiser prepared and submitted two appraisal reports that were reported "as is" and should have been "as was". They contained no site adjustments or summary of any reasoning for adjustments made, and an incomplete highest and best use analysis. A consent agreement was ratified by the Board whereby the appraiser agrees to satisfactorily complete a minimum of 30 hours of education including a tested narrative report writing course and a tested residential report writing course as well as six months probation during which monthly logs of work products will be submitted from which report(s) will be reviewed to evaluate improvement. The appraiser is fined \$1,000 which will be waived if the coursework is satisfactorily completed before February 28, 2009.

08-0510 A state licensed appraiser prepared and submitted an appraisal report that contained no explanation as to why the subject's site was purchased for \$9,000 eleven months ago and is now valued at \$30,000 in the cost approach, there was no basis for the age adjustments used, and the comparable sales appear to be superior to the subject. The subject contained functional problems that were not addressed. The Board ratified the consent agreement whereby the appraiser agreed to satisfactorily complete a minimum of 30 hours of education including a tested 15 hour USPAP course and a tested sales comparison course. The agreement also provided for six months probation during which he/she will submit logs of work products from which report(s) will be chosen for review as to quality of work. The appraiser was fined \$500 which will be waived if the coursework is satisfactorily completed before February 28, 2009.

Full Board Administrative Hearings resulted in the following findings and orders:

Case 07-0472 Involves a trainee and supervisor. **The Board found** that the Respondents violated the following: Ethics Rule, Record Keeping and Standards Rule 1-1(a) & (c);

Standards Rule 1-4 (a) & (b)(ii); Standards Rule 1-5(b); Standards Rule 2-1(a); Standards Rule 2-2(b)(iii)&(viii). Both appraisers' licenses will be placed on probation for a period of six months during which the Respondents must submit a log of all appraisals they have signed, co-signed or participated in preparing during the previous month. Both appraisers will successfully complete a minimum of 40 hours tested education that will focus on residential appraisal techniques and narrative report writing. Each appraiser will pay a civil penalty of \$1,000 before the end of their probationary period. *This order has been appealed and a stay has been granted.*

Case 07-0455 The Board Found that the Respondents have violated: the *Record Keeping section of the Ethics Rule lines 305-313; Standards Rule 1-1(b), Standards Rule 1-1(c), Standards Rule 1-4(a) Standards Rule 1-5(a) & (b) and Standards Rules 2-1(a)(b), Standards Rule 2-2(b)(viii) and that the Respondents have violated the Conduct Section of the Ethics provision lines 247 through 249.* The Certified Residential Appraiser co-signer surrendered his license (see above*) the Certified General co-signer's license is placed on probation for a period of six months during the probationary period, the Respondent must submit a log of all appraisals he/she has signed, co-signed or participated in preparing during the previous month from which appraisals will be randomly selected for review. Respondent will satisfactorily complete a tested 15 hour USPAP before the end of the probationary period. Respondent will pay a civil penalty of \$4,000 before the end of the probationary period.

Case 07-0495 The Board found that the certified residential appraiser *has violated A. C. A. § 17-14-305(a) and Arkansas Appraiser Licensing and Certification Board Rules and Regulations Section I General (I) Appraiser Seal; A. C. A. § 17-14-206 (a)(4) and the Conduct section of the Ethics Rule lines 237-240 and lines 247-249 of the Uniform Standards of*

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STATUS REPORT

As of October 3, 2008, Board records showed these totals for appraisers:

State Certified General . . . 464
State Certified Residential 390
State Licensed 98
State Registered 282

(Includes temporary and nonresident appraisers)

DEADLINE FOR FILING TO BE CONSIDERED FOR THE NEXT LICENSING AND CERTIFICATION CYCLE IS

NOVEMBER 30, 2008

Potential applicants should contact the Board's staff for current information relating to application process, exam schedules, fees, and other licensing inquiries by calling (501) 296-1843, using our website at www.arkansas.gov/alcb/, or write to the Appraiser Licensing and Certification Board of office, 101 E. Capitol, Suite 430, Little Rock, Arkansas 72201.

Education Offerings

Arkansas Chapter of the Appraisal Institute – Contact Barbara Martin at (501) 776-9630 or appraisalinst@sbcglobal.net for more information.

Career Webschool – Distance Learning on-line. Call 717-919-9191

The Columbia Institute – Contact www.columbiainstitute.org or call 1-800-460-3147 for more information. "Appraising REO/Foreclosures," 7 hours offered October 30, 2008 in Little Rock; and "2008 National USPAP Update," 7 hours offered October 31, 2008 in Little Rock.

Lifetime Learning – Contact Dennis McElroy at (417) 887-2221. All classes held in Springfield, Missouri.

McKissock Appraisal School – Contact 1-800-328-2008 for more information.

Reuss Appraisal Educators – Contact James Reuss at 920-982-3772 or www.reussappraisal-educators.com.

National Association of Independent Fee Appraisers – Contact 1-312-527-6736 for class schedules.

RCI Career Enhancements – Contact David Reinold (479) 968-7752 or www.raycampinc.com. All classes offered in Russellville.

John C. Wilkerson, Jr. – Pryor Creek, OK. Contact 1-918-825-1514 for more information on class schedules.

Ozarks Technical Community College – Contact Dana Patterson at 417-447-7500.

Updated Directory Available on the Internet

It has been an annual practice of the Appraiser Licensing Board staff to maintain a current roster of all credentialed appraisers and in the past has mailed it to all appraisers.

In an effort to reduce expenses and commitment of staff resources, the 2008 updated roster is not being mailed but has been placed on the Board's website (www.arkansas.gov/alcb/) under Information for Appraisers.

A copy can be easily downloaded for insertion into a three ring binder. Also, hard copies will be available through the Board's office upon request.

If you have any questions as to accuracy of the information contained in the directory, please advise the Board office so that immediate corrections can be made.

To request a copy of the updated directory call 501-296-1843 or send an e-mail to:

Jackie.Gullahorn@arkansas.gov.

17 Appraisers Fail to Renew Licenses

Of the 739 active Arkansas appraisers, 17 failed to renew their licenses or certifications by the June 30 deadline, according to Board records.

The board sent letters to the 17 appraisers advising them of its delinquency policy and asking them to notify the agency of their intentions by August 1. Only five advised the Board of their intentions. The delinquent appraisers are as follows:

David Acord, Fort Smith

Jeffrey Davis, Bella Vista

Tammy Green, Little Rock

Lee Hill, Little Rock

Al Holtkamp, Bull Shoals

Jeramy Joyce, Fayetteville

John G. Lile, Little Rock

Paul Marinoni, Fayetteville

Billy Misner, Monette

Cecile Shackelford-Taylor, El Dorado

Stephanie Vaughn, Springdale

Robert Wolford, North Little Rock.

On August 1, the Board notified the *National Registry* to remove them from the Appraisal Subcommittee's registry.

Terms Up for Five Board Members

In January 2009, five of the current board member appointments will terminate.

Three of the five (Richard Stephens – District II, Fred Rausch – District III, Bruce Chiles, – District I) are appraiser members that are term limited and are not eligible for reappointment.

James Foster representing District IV was initially appointed to complete the term of resignee, Michael Clayton, and is eligible for reappointment. Foster is one of two “at-large” appointees. Bruce Chiles is the other.

The senior citizen representative is currently held by appraiser Wayne Coats of Conway, who will be completing his sixth year on the board and is not eligible for reappointment. This position is at the discretion of the Governor and can be filled by any citizen of the state.

The most complex aspect in filling the appraiser member positions is that of complying with the statutory provisions which requires no more than two appraisers may be from the same Congressional District. Application of this provision essentially mandates that each district will have at least one and no more than two credentialed appraisers appointed to the Board by the sitting Governor. As a result, there are various combinations that can result because of the Congressional Districts potential candidates should represent. The following options are considered based on the potential that James Foster could be reappointed from District IV.

On considering the four open appraiser positions, at least one must be

from District IV. One of the three other open appraiser positions could also be filled by a representative from District IV. Under the Foster assumption, the three (3) remaining positions would have to be filled by appointments of no more than one from either of the four Districts.

In addition to meeting the Congressional District representation criteria, (A.C.A. 17-14-201) the following are other conditions that directly impacts the Governor's selection process.

(1) That two of the appraiser appointees should be members in good standing of national organizations affiliated with the Appraisal Foundation and representative of the varied appraisal disciplines;

(2) That the selection pool (candidates for the Governor's consideration) is to be established by state chapters of national appraisal associations submitting the names of two appraiser's for consideration; and

(3) In the 2009 scenario, two of the appraiser's positions are that of “at-large”, held by Chiles and Foster and their replacements are not required to represent any appraisal organization.

The loss, at one time, of five of the ten board members can be challenging. However, it is an event that has happened every six years since the Board was established.

Individual appraisers, as well as state chapters of national associations that are members of the Appraisal Foundation should take note of these approaching vacancies and submit names for the Governor's consideration in making these appointments.

Record Number of Appraisers Surrender Licenses

The Arkansas Appraiser Licensing Board has so far in this calendar year had a record number of appraisers surrendering their license at some point during the adjudication process.

The Board's rules per Section I – General (Q)(B) requires publishing the names of those whose license have been revoked, suspended or surrendered as a result of disciplinary actions. Individuals having surrendered their license in 2008 are:

Ernest “Bill” Circle, SL2086
of Cherokee Village;

David Ervin, CG0670
of Fayetteville;

Johnny Lang, SL1683
of Pine Bluff;

Errol Lemons, CG1600
of Bryant;

Nezeh Muayadazem, SL3101N
of Newport Beach, Calif.;

Richard Watts, SL1909
of Wynne;

Linda Webb, CR0449
of Decatur.

In case, #07-0455, **Wiley Seeger**, a state licensed appraiser, SL-2429, was scheduled to appear for a full board hearing regarding a complaint. The Respondent appraiser failed to show for the hearing and the Board, after hearing evidence in the case, revoked the appraiser's license. He did not timely appeal the Board's Order.

Another complaint heard by the Board resulted in a six-month suspension of State Licensed appraiser, **Thomas Burkhalter**, SL-0517 of Benton. The Respondent was determined by the Board to have violated a number of Standard Rules and State Law. In addition to the six-month suspension, the Respondent was given 45 hours of remedial education, six-month probation with logs after the suspension and fined \$9,000. The Board's findings have been appealed to Circuit Court and a “stay” of the Order was granted.

Caution to State Registered Appraisers.

State Registered appraisers in particular are reminded that upon making application for a specific credential, their experience logs must at a minimum encompass either 12 months of experience for State License, twenty-four (24) months for Certified Residential and/or thirty (30) months for Certified General.

The experience log for Certified General must contain a minimum of 1500 hours of non-residential property type appraisals.

These time frames must have begun on or after the date a trainee received his/her state registration. Otherwise, state registered appraisers will not re-

ceive credit for that experience reflected on a log that preceded their state registration dates.

Also, the Board staff is continuing to find state registered appraisers who have failed to comply with the Board's rules requiring submittal of one's experience log upon completing the initial 500 hours and again upon totaling 1500 hours. Failure to comply with these interim benchmarks can result in delaying a future application for a credential.

State registered appraisers in training are encouraged to refer to the Board's 2007 Rules and Regulations on page 22 per Section VI (B) (1,2,3).

ASB Responds To Inquiries

In response to various questions, the Appraisal Standards Board (ASB) frequently issues its answers that are designed to clarify the applicability of USPAP to specific situations.

QUESTION: The real estate market I appraise in has slowed down over the last 12 to 18 months, and it is not extremely common to see seller concessions as part of a purchase transaction. What are the USPAP requirements regarding proper treatment of sales/financing concessions?

RESPONSE: Sales or financing concessions may have an effect on the price paid for a property. As such, it is important for the appraiser to recognize this and analyze their impact.

Sales or financing concessions should be considered in light of the type and definition of value used in an assignment. If the value opinion to be developed in a real property appraisal assignment is market value, then Standards Rule 1-2 (C) requires the appraiser to ascertain whether the value is to be the most probable price:

- (i) in terms of cash; or
- (ii) in terms of financial arrangements equivalent to cash; or
- (iii) in other precisely defined terms; and
- (iv) **if the opinion of value is to be based on non-market financing or financing with unusual conditions or incentives, the terms of such financing must be clearly identified and the appraiser's opinion of their contributions to or negative influence on value must be developed by analysis of relevant market data;**

QUESTION: I was asked to appraise a single-family residence for refinancing. I am aware that the property had been previously listed but did not sell. During my data investigation and analysis, I noted that the owner's "estimate of value" was \$375,000. When I looked up the listing history, I found it had been with-

drawn from the market at the asking price of \$325,000. What are my obligations under USPAP regarding a withdrawn or expired listing of the subject property?

RESPONSE: Standards Rule 1-5 (a) states *When the value opinion to be developed is market value, an appraiser must, if such information is available to the appraiser in the normal course of business:*

- (a) analyze all agreements of sale, options, or listings of the subject property current as of the effective date of the appraisal.

Therefore, there is not a specific requirement in Standards Rule 1-5(a) to consider and analyze a withdrawn or expired listing of the subject property, prior to the date of the appraisal.

However, any prior listing of the subject property (as of the effective date of the appraisal) might be significant in that it indicates the property's availability in the market and the market reaction to that availability. Likewise, agreements of sale and options are generally significant to the appraisal problem in that they involve a "meeting of the minds", relating to the property's value, of the potential buyer and seller.

In the development of an appraisal, an appraiser is required under Standards Rule 1-1(b), to *not commit a substantial error of omission or commission that significantly affects an appraisal. If information about a withdrawn or expired listing is known by the appraiser and that information is relevant to the appraisal problem, it must be considered.*

QUESTION: I have received an assignment to appraise a property with newly constructed improvements. Because the property includes new construction, there is no prior sales history of the property, as it now exists. However, I do have information pertaining to a prior sale of the site (without the improvements). Does Standards Rule 1-5(b) require me to analyze this prior sale of the site?

RESPONSE: Yes, The goal of USPAP is to promote public trust in the appraisal profession. Standards Rule 1-5 provides for a research and

analysis requirement for information that is judged to be important to the credibility of the appraisal process. To be consistent with the purpose of USPAP as well as the intent of SR 1-5, an appraiser is required to analyze *all* prior sales that include the subject property. This includes: (1) prior sales of a property that includes the subject property; and (2) prior sales of a portion of the subject property.

In this case, the analysis of the prior sale of the unimproved site would be necessary to comply with Standards Rule 1-5(b). The site in this instance is a component of the subject property.

Another example might be the appraisal of a leased fee interest in a property. The appraiser must research and analyze prior sales of the subject, even if these sales include a fee simple interest in the property.

An additional example might be the appraisal of 20 acres subdivided from a 200-acre parcel. The appraiser must research and analyze prior sales of the subject, even if these sales include the 200-acre site in its entirety.

QUESTION: I was asked by a client to prepare a five-year market-based forecast of income and expenses for a specific commercial property. Is such a request an appraisal assignment or an appraisal consulting assignment?

RESPONSE: The request is an appraisal consulting assignment, which includes an appraisal. The market-based income and expense forecast is an analysis by the appraiser that includes an opinion of market rent, which is an opinion of value. The process of developing an opinion of market rent *to be used* in the analysis is an appraisal, since USPAP defines an appraisal as "an opinion of value." Therefore, to comply with USPAP an appraiser would have to follow STANDARD 1 to develop the opinion of the market rent (value), and STANDARD 4 to develop the income and expense analysis. The appraisal consulting report would have to comply with STANDARD 5.

2008 Exam Holds to Predictions

2008 ushered in a new round of revised pre-qualification criteria for individuals seeking to become a state credentialed appraiser.

Not only did the revisions increase hours of education required for each level of licensing applicants, but candidates for certification are now required to have minimum levels of post secondary education.

Also the AQB created its own exams which the Arkansas Board began administering earlier this year under contract with a new provider, Pearson Vue.

In the July 2007 issue of *The Appraiser*, it was reported that the exams being developed by AQB would be longer with more questions and somewhat tougher than in the past. Early results from the administration of the 2008 exams revealed this prediction to be true. Exams are reported to consist of more practicum based (150) questions, are definitely taking longer to complete, and the pass ratio would indicate they are indeed tougher.

The Certified General exam is a two-part exam allowing eight hours to complete.

To date, the Arkansas Appraiser Licensing Board has administered a total of nineteen exams using the new AQB questions. On reviewing these nineteen examination candidates, it was found that only seven had passed and of the seven who passed, five were first time takers. The results, to this date, show an overall pass ratio of 37 percent.

One could summarize, however, that the pass ratio may increase with future candidates who will be better prepared based on having met the additional educational requirements and the education providers will have focused their instructional materials in conformity with the core curriculum.

Examinees have also indicated they very much like the convenience of scheduling directly with the exam administrator and the accessibility of the multiple exam sites within the state. Future applicants and retakers are encouraged to diligently seek to prepare themselves in advance of taking these new exams.

Keep an Eye out for Renewal Statements

State registered appraisers are reminded that renewal statements for 2009 will be in the mail in the very near future. The application and fees to renew must be received in the board office or postmarked no later than December 31. Registrations that are not renewed on or before January 1 will be considered to have lapsed and any appraisal work performed subsequent to that date will not be credited for licensing. The renewal fee continues at \$200.

All State Registered appraisers who have been registered for at least one year will be required to submit 14 hours of continuing education and/or if registered prior to July 1, 2008 must have completed the 15-hour Uniform

Standards of Professional Appraisal

Practice course. Registered appraisers having been state registered for two years after completing the 15 hour USPAP are also required to have completed the seven hour USPAP Update course prior to renewal.

State Registered appraisers are cautioned that it is their responsibility and not that of the education provider to keep the board apprised of all education. The Board's website at www.arkansas.gov/alcb provides easy access for one to verify that continuing education credits have been appropriately credited. Failure to timely renew or respond with one's intent will result in a \$50 per month penalty.

Disciplinary, from Page 3

Professional Appraisal Practice (USPAP); Standards Rule 1-4(a); Standards Rule 1-5(a) & (b); Standards Rule 2-2(b)(ix) and Standards Rule 2-2(b)(viii); The Respondent has also violated Arkansas Appraiser Licensing and Certification Board Rules and Regulations Section I – General (F) Restrictions on Appraisal Practice/ Services; Standards Rule 1-1(a); Standards Rule 2-1(b) and USPAP's Competency Rule. The Respondent's license is placed on probation for a total period of twenty-four months beginning July 1, 2008, on the following terms: During the first twelve months of the probationary period the Respondent's practice is restricted to only single family 1-4 residential property appraisals. Also during the first twelve months of the probationary period, the Respondent must submit a log of all appraisals he/she has signed, co-signed or participated in preparing during the previous month. This log must be received at the Board office no later than the 10th day of each month. Appraisals will be randomly selected for review. During the first twelve months of the probationary period, the Respondent will satisfactorily complete a tested 15 hour USPAP class, as well as a tested introduction to capitalization course or a report writing course for non-residential properties. Respondent will

pay a civil penalty of \$2,000.00 during the first 12 month period. During the final twelve months of the probationary period, the Respondent may complete any assignments that he/she is competent to complete and that falls within the restrictions of his/her licensure. During the final twelve months of the probationary period, the Respondent must submit a log of all appraisals he/she has signed, co-signed or participated in preparing during the previous month. Appraisals will be randomly selected for review. During the final twelve months of the probationary period, the Respondent will successfully complete a minimum of 30 hours of tested general applications courses.

Case 08-0505 The Board found: *The Respondent has violated lines 311, 312 and 313 of USPAP's Record Keeping provision of the Ethics Rule; Standards Rule 1-1 (a), Standards Rule 1-4(a) & (b)(iii), Standards Rule 2-1(a) & (c) and Standards Rule 2-2(b) (iii)(viii) & (x).* Respondent must successfully complete a tested 15 hour USPAP class and a tested sales comparison class. Respondent will be fined \$2000 with \$1500 waived if the required courses are successfully completed within six months of the order. The Respondent has appealed the Board's Order to Circuit Court and a stay has been granted.

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APPRAISER LICENSING & CERTIFICATION BOARD

**101 E. Capitol, Suite 430
Little Rock, Arkansas 72201**

April 2009 Seminar Scheduled

Chairman Dwight L. Brown of the Appraiser Licensing and Certification Board has confirmed that the 2009 seminar, renamed *A Day With Appraisers* seminar, has been scheduled for April 23rd at the Shrine Temple located at #1 Scimitar Circle in Little Rock.

Brown noted that the Education Committee led by Board Member Fred Rausch would be responsible for developing the seminar outline, as well as, topics and selecting guest speakers for the session.

It is anticipated that the day's event will follow closely the traditional format in which the morning is devoted to guest speakers discussing timely issues with the afternoon sessions divided by property types with relevant subject matters covered. The committee would welcome input from licensees as to any issues or concerns they would like addressed.

The focus of the keynote speakers and/or theme of the day's program has yet to be determined. Those attending the seminar will earn 7 hours of continuing education credit. More details about the program will be released later.